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SYNOPSIS

SUSTAINABILITY AND OUTREACH OF NON-BANKING FINANCIAL COMPANY - MICRO FINANCE INSTITUTIONS (NBFC-MFIs) IN PROMOTING WOMEN MICRO ENTREPRENEURS

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I.Introduction

Microfinance in India has experienced rapid expansion, particularly since the country's economic liberalization in 1991. The microfinance, industry has expanded to offer a variety of financial substances that are beneficial to people with limited financial resources. To ensure that MFI regulations are in line with national economic objectives, the Reserve Bank of India has been instrumental in forming a proper regulatory framework. India's microfinance industry has supported rural and economically disadvantaged people come out of poverty at every stage of its development since its inception by providing microcredit support for business startups (Datta and Sahu, 2021). A microcredit program can transfer poverty out of the hands of the poor, according to its proponents, by allowing them to become entrepreneurs. The microfinance initiative enables women entrepreneurs to establish revenue generating ventures, which will eventually supply funds for household consumption and business earnings (Svensson, 2021). As a result, the microcredit intervention significantly improves the lives of the poor in particular and the society as a whole (Sultan, 2017). The intention of microfinance is to help economically disadvantaged groups achieve higher levels of asset accumulation, income security, and a notable increase in average income as a result of microfinance (Banu et al., 2021).There has been widespread recognition of the micro finance sector's contribution to inclusive growth of the economy by creating jobs, driving business, and transforming the lives of millions of aspiring women.Microfinance industry provided credit to Rs7.8 Cr customers pan India with a Gross loan portfolio of Rs. 4,33,697 Crore (MFIN, 2023-2024). The NBFC has developed as a rival as well as a substitute for the banking industry and contributes to the expansion of the Nation's economy. They have increased their willingness to take risks and opted to raise funding primarily focusing on the most vulnerable people in society (Nazneen and Dhawan, 2018). In the wake of the Andhra Pradesh Micro finance crisis in 2010, a Sub-Committee of the Central Board of the Reserve Bank was constituted to study issues and concerns in the MFI sector. Based on the recommendations of the committee, it was decided to create a separate category of NBFCs, viz., Non-Banking Financial Company-Micro Finance Institution (NBFC-MFI) and detailed regulatory Framework NBFC-MFIs was put in place in December 2011.

The NBFC-MFIs supports the empowerment of underprivileged sections of society with a special focus on women entrepreneurs (Swati Sharma, 2018). NBFC -MFIs have tremendous growth potential in India, as they can play a leading role in eradicating poverty in the rural sector and underprivileged sections of society through Microcredit (Sharif Mohd, 2018). An effective management of NBFC-MFIs requires monitoring of financial sustainability and outreach, including

interest rates and default rates. Financial self-sustainability of MFIs means the ability to provide for funds, to borrowers, and subsidies they receive in order to survive in the market. Institutional sustainability requires the financial sustainability of MFIs (Hollis and sweetman,1998). If the institutions are unsustainable will not help the poor people in the future and its less chance for standing in industry (Schreiner, 2000). Sustainability or outreach are affected by regulatory framework, but better-capitalized MFIs become more stable (Hartarska and Nadolnyak, 2007).

2.Review of Literature

Non-Banking Financial Companies are companies which are registered under the companies act 2013 in India and engaged in the various business-like loans and advances, acquisition of shares, stocks, bonds, insurance business, hire purchase business and chit fund business. Microfinance Industry in India is largely dominated by Non-Banking Financial Company-Microfinance Institutions (NBFC-MFIs), regulated by Reserve Bank of India RBI (Kishore Kumar Das and Sworup Ranjan Palai, 2019). The triangle of microfinance helps us to see the trade-off between the level of financial sustainability, outreach, and the impact on the lifestyle of the borrowers. Having assessed the customers' social, wealth, and business status, the MFI's sustainability and outreach can be measured. (Zeller and Meyer, 2002). A MFI's sustainability is determined by its financial proficiency and ability to utilise funds for business expansion. The borrowers' financial literacy is crucial to the success of the institution. (Mali and Sayankar, 2022) A microfinance entity plays an essential role in achieving the growth and success of the MFI by improving the social and economic status of women borrowers. It enhances their social wealth, self-confidence, and financial independence (Kalla,2021). Improvements in the wellbeing of borrowers reflect the sustainability and outreach of microfinance institutions. Repayment rates are also crucial in determining the effectiveness of MFIs (Al-Shami et al.,2013). Growth and development in terms of social and financial influence on women's entrepreneurship reflects the borrower's standing. Utilizing funds leads to financial empowerment (Khursheed, 2022). Social, financial, and economic development of women investigated empowerment through MFI outreach. Southern regions such as Andhra Pradesh, Karnataka, Kerala, and Tamil Nadu had stronger financial empowerment of women entrepreneurs. The highest outreach has been found in Tamil Nadu, and women's empowerment is a powerful tool against reducing poverty among poor households. (Laha and Kuri, 2014). Sustainability of MFIs is determined by the performance of microentrepreneurs' business operations. There is no significant association between loan disbursement and MFI sustainability (Kayembe et al., 2021) The performance of MFIs was measured by loan amounts disbursed and active borrowers. Interest rates and varied services given

by MFIs result in a non-significant link in the performance of MFIs, however the number of branches and the lower number of defaults resulted in a significant association (Tunio et al., 2020). Operational self-sufficiency is affected by return on asset, return on equity and profit margin. Higher the profit margin more the company will be operationally sustainable and sufficient(Anazia Hasan etal., 2020).

3.Statement of the Problem

India is one of the most promising markets for microfinance. The microfinance institutions are developing plans to cater to the huge untapped market for credit in rural and urban areas alike. They provide essential financial services that are unavailable through traditional banking systems, enabling entrepreneurs to start or expand their business activities. Empowerment through social status and business growth contribute to the MFIs' sustainability and outreach. Sustainability has a direct relationship with outreach. Sustainable practices ensure that NBFC-MFIs can operate effectively over the long term, keeping their financial stability trust, and impact. This enables them to expand their services to more communities and regions. This study aims to explore how NBFC-MFIs caters and evolving needs of women micro entrepreneurs, ensuring continued business growth and financial well-being. Addressing these challenges, it is essential for NBFC-MFIs to enhance their scalability, maintain operational sustainability, and fulfill their mission of empowering undeserved communities.

4.Research Questions

- Are the borrowers aware about terms of loans offered by NBFC-MFIs?
- How the borrowed funds used for entrepreneurial activities?
- Is the NBFC-MFIs is enhance business development, social and financial status of the women micro entrepreneurs?
- How the operating performance and perception of women micro entrepreneurs and Managers leads to sustainability of NBFC-MFIs?
- What should be the performance outreach of NBFC-MFI?
- How the various factors influence the Sustainability and outreach of NBFC-MFIs**?**

5.Objectives of the Study

1. To study the awareness on terms of loans and usage of borrowed funds by the women micro entrepreneurs.
2. To examine the role of NBFC-MFIs in enhancing business development, social status and financial status of the women micro entrepreneurs.

3. To analyse the operating performance and perception of women micro entrepreneurs, Managers on the sustainability of NBFC-MFIs.
4. To understand the outreach of NBFC-MFIs based on operating efficiency and perspective of women micro entrepreneurs and
5. To examine the effect of various factors which influences the sustainability and outreach of NBFC-MFIs.

6.Research Methodology

➢ Nature of the Study	Descriptive in Nature
➢ Area of the Study	Coimbatore
➢ Data Colletion	Primary and Secondary
➢ Tools for Data Collection	Primary Data: Interview Schedule for Micro entrepreneurs and Questionnaire for NBFC-MFIs Managers Secondary Data: Annual reports and Financial statements from MFIN, RBI report.
➢ Period of the Study	Data Collection Period: December 2022 to June 2023, study Period: January 2020 to January 2025
➢ Pilot Study	50 Borrowers (10borrowers each from five NBFC-MFIs)
➢ Sample Size	386 respondents (calculated as per Cochran's formula (1977), Small size Sampling of 30 from the managers of NBFC-MFIs
➢ Sampling Technique	Proportionate Stratified Random Sampling
➢ Sample Units	Women Borrowers from NBFC-MFIs

7.Conceptual Framework of the Study

Awareness on terms of loans offered by the NBFC-MFIs have impact on the usage of borrowed funds, business development, social status of the women micro entrepreneurs, sustainability and outreach of NBFC-MFIs. usage of borrowed funds have effect on business development. Business development and social status leads to sustainability of NBFC-MFIs. Sustainability of NBFC-MFIs shows direct effect on outreach of NBFC-MFIs

Hypotheses of the Study

$Hso_{1:}$ Awareness on terms of loans by the women micro entrepreneurs have significant positive effect on usage of borrowed funds, business development, social status, sustainability and outreach of NBFC-MFIs

$Hso_{2:}$ Usage of borrowed funds have significant positive effect on business development of the women micro entrepreneurs.

$Hso_{3:}$ Business development of the women micro entrepreneurs have significant positive effect on sustainability of NBFC-MFIs.

$Hso_{4:}$ Social Status of the women micro entrepreneurs have significant positive effect on Sustainability of NBFC-MFIs

$Hso_{5:}$ Business development of the women micro entrepreneurs have significant positive effect on outreach of NBFC-MFIs

$Hso_{6:}$ Sustainability of NBFC-MFIs have significant positive effect on outreach of NBFC-MFIs.

8.Tools used for analysis

Descriptive Sstatistics	Used to analyze the mean and standard deviation of the women micro entrepreneurs socio economic, business and loan profile.
Analysis of Variance (ANOVA)	Awareness of terms of loans, usage of borrowed funds, business development and social status of the women micro entrepreneurs are significant and associated with socio economic, business and loan profile of the respondents
Factor Aanalysis	Women micro entrepreneurs perception on sustainability and outreach of NBFC-MFIs
Test of Proportion	Proportion of women micro entrepreneurs who owned different forms of assets and investments made before and after starting the business.
Kendall's Rank Test	Factor influenced to borrow funds from NBC-MFIs and risk factors of NBFC-MFIs
Ratio Analysis	Sustainability of NBFC-MFIs
Path Analysis Model	Effect of various factors which influence sustainability and outreach

9. Findings

Data collected for the study were analyzed and categorized into the following sections, according to the study's objectives. To measure the sustainability and outreach of NBFC-MFIs Collected data from the Micro entrepreneurs, Managers of NBFC-MFIs and result of the Financial Statements of NBFC-MFIs were analysis through various descriptive and inferential statistical tools.

I. Socio Economic, Business and Loan Profile of the Women Micro Entrepreneurs

- Age group of the respondents revealed, majority of the respondents were belongs to the age group of 36-43 years. Only 5.7 % of the respondents are between 52- 60 years.

- A majority of micro-entrepreneurs were educated at school level (49.5%), 19.4% of respondents had an undergraduate degree, 13.7 percent of respondents were illiterate, 7.5% held a diploma, 8.3% held a professional degree, and fewer held a postgraduate degree (1.6%)
- Majority of respondents (62.7%) belong to the most backward class, 29.5 percent belong to the backward class, and 7.8% belong to the SC/ST community.
- The majority of respondents (58.5%) were living in a nuclear family, and 41.5% in a joint family. The majority of respondents (98.4%) were not differentlyabled.
- The number of members in a family states, majority of the respondents (48.2%,) have three to four members in the family,33.7 percent respondents have 5-6 members in the family and only least number of respondents (3.4%) have one to two members in their family.
- Earning members in a family revealed 55.4 percent of the respondents have two earning members in the family 24.4 percent have three earning members in the family. 17.9 percent have more than three earning members in their family.
- The majority of respondents (26.2 percent) live in semi-urban areas, 31.1 percent live in urban areas, and (26.6%) live in rural areas.
- The year of experience in doing business revealed 47.2 percent of the respondents have the experience of 6-10 years, 28.5 percent of them have experience of 1-5 years, 20.2% had experience of 11-15 years, and only 4.1 percent had experience of more than 15 years.
- The Micro Entrepreneurs engage in a variety of businesses, including small-scale farming (12.2%), tailoring (10.6%), vegetable (8.0%), flower (8.5%), petty shop and garments (8.3%), and fast food (7.8%). The majority of the Micro Entrepreneurs (36.3%) small and cottage units, like food and masala preparation, handicraft embroidery, artistic work etc
- The majority of respondents (53.9%) borrowed money from NBFC-MFIs to meet their initial investment requirements for business startup while 18.7% responded with their own funds.12.2 percent of micro entrepreneurs borrowed money from friends and family, 13.7% raised money from private money lenders, and 1.6% of respondents opted funding banks.
- 32.6 percent of Micro Entrepreneurs had a monthly income of ₹ 30001- ₹ 40000, while 26.4% had an income of ₹ 20001-₹ 30000. The respondents' incomes from ₹ 40001-₹ 50000 accounted for 20.7%. 15.8% made up of ₹ 10000- ₹ 20000 incomes. Micro Entrepreneurs have a lower number of respondents (4.4%) who make more than ₹ 50000 a month. However, there are more respondents who make income between ₹ 30000 and ₹ 40000.
- Monthly business expenditure of the Micro Entrepreneurs shows 30.6 percent of them have business expenditure of ₹ 15001-₹ 20000, 24.6 percent of them have expenditure of ₹ 10001-

₹ 15000, 21.8 Percent of have expenditure of ₹ 5001-₹ 10000. 9.6 percent of them have expenditure of

₹ 20001-₹ 25000, 8.5 percent of them have expenditure of ₹ 25001-₹ 30000.Least of them (2.1%) have incurred expenditure of above ₹ 30000.

- A majority of respondents have a monthly savings of ₹ 15001-₹ 20000, while 28.2 percent of Micro Entrepreneurs have a monthly savings of ₹ 10001-₹ 15000. About 18.7% of Micro Entrepreneurs have savings of ₹ 5001-₹ 10000, 13.0% have saved from ₹ 20000 to ₹ 25000, 4.4% have saved above ₹ 25001. Only 1.6 percent have saved up to ₹ 5000.
- Years of association with NBFC-MFIs revealed 37.3 percent of the Micro Entrepreneurs have six to seven years of association with NBFC-MFIs, 20.5 percent of the respondents have 4-5 years of association,16.8% of the respondents have 8-9 years of association,14% of the respondents have more than 10 years of association.11.4 percent of them 2-3 years of association. Majority of them have 6-7 years of association
- It was found that 33.2% of them took out loans exceeding ₹ 65000 in a year from NBFC-MFIs, 26.4% of them took out loans ₹ 55001-₹ 65000, 16.8% of them took out loans ₹ 35001-₹ 45000, 14.5% took out loans ₹ 45001-₹ 55000, and only 9.1% took out loans up to ₹ 35000. The majority of them obtained loans of over ₹ 65000.
- Top up loan availed by the borrowers revealed Majority of the respondents not availed top up loans (75.4%) and less no of respondents availed (24.6%) top up loans.
- Repayment of loan due amount ,49.7 percent of the respondents repaid amount through executives they have collected from their respondents place.31.9 percent of them repaid from collection point, from NBFCs office 13.0 percent of them repaid, only 5.4 percent of them preferred through online payment.
- Factors Influenced to borrow Funds from NBFC-MFIs ,37.2 percent of the respondents encouraged and influenced to borrow funds from NBFC-MFIs through other entrepreneurs, by self-interest (32.6%) through family members (16.6%), by friends 8.5 percent ,3.1 percent of them influenced to borrow through NBFC executives. Less number of respondents influenced through Media. Most of them influenced through other Micro Entrepreneurs.
- The problem in transacting with NBFC-MFIs,25.1 percent of the respondents pointed out that less flexibility in repayment of the loan, 20.7 percent of them faced the problem of the high rate of interest, less coordination by the executives was the problem for 18.4 percent the respondents, 14.2 percent of them indicated the problem of insufficiency of loan amount offered by NBFC-MFIs, 12.4 percent of them experienced a delay of getting funds, 4.7 percent of them have

faced the technical issue and less respondents (4.4%) have a problem of lack of advisory service

- **Objective 1: Awareness on Terms of Loans and Usage of Borrowed Funds by the Women Micro Entrepreneurs**

➢ **Association between socio economic profile and awareness on terms of loans**

The socio economic variable of the respondents like Age (0.0001), Educational qualification (0.0001), social category (0.044), earning members in the family (0.0001), area of residence (0.0001) have a significant difference in the mean awareness score on the above variables. With reference to the variable type of family (1.789) there is no significant difference is found.

➢ **Association between business and loan profile and awareness on terms of loans**

Variables like years of experience in business (0.0001), nature of business (0.0001), monthly income from the business (0.0001), years of association with NBFC-MFIs (0.0002) amount of loan taken in a year (0.0001) have a significant difference in the mean awareness score on the above variables.

➢ **Association between socio economic profile and usage of borrowed funds**

The socioeconomic variable of the respondents like Age (0.124), educational qualification (0.191), social category (0.957), type of family (0.422) area of Residence (0.629) have no significant difference in the usage of borrowed funds, earning members in the family (.031) there is significant difference is found.

➢ **Association between business and loan profile and usage of borrowed funds**

variables like years of experience in business (0.288), monthly income from the business (0.929), years of association with NBFC-MFIs (0.199) amount of loan taken in a year (0.225) have a no significant, with regarding nature of business (0.088) here is significant difference is found.

Objective 2: To examine the role of NBFC-MFIs in enhancing Business Development, Social Status and Financial Status of the Women Micro Entrepreneurs

➢ **Association between Socio economic profile and business development of the micro entrepreneurs**

The socio economic variable of the respondents like age (0.001), educational qualification (0.0001), earning members in the family (0.001), area of residence (0.01) have a significant difference with reference to the variable social category (0.56), type of family (0.699) there is no significant difference is found.

- **Association between business and loan profile and business development of the women micro entrepreneurs**

  Variables like years of experience in business (0.001), nature of business (0.038), years of association (0.24), amount of loan taken in a year (0.17) have a significant difference, with reference to variable Nature of business (0.038) there is no significant difference is found.

- **Association between Socio economic profile and social status of the women micro entrepreneurs**

  The socio economic variable of the respondents like Age (0.020), educational qualification (0.0001), social category (0.003), earning members in the family (0.004), area of residence (0.01) have a significant difference in the mean of social status,with reference to the variable type of family (0.263) there is no significant difference is found.

- **Association between Business and loan profile and social status of the micro entrepreneurs**

  Variables like years of experience in business (0.001), nature of business (0.001), monthly income from the business (0.045), have a significant difference in the social status,with reference to variables like years of association with NBFC-MFIs (0.0002) amount of loan taken in a year (0.0001)) there is no significant difference is found.

- **Financial Status of the Women Micro Entrepreneurs**

  The test of proportions was applied to find whether there is any change in the proportion of respondents who owned different forms of assets before and starting the business. It is seen from the table that the test value for land 4.634**,** Shop/Building 5.569 , Cattles 3.743 , Fixed Deposits 6.434 , Insurance 9.987, Savings in Post Office 15.012, Savings in banks 9.245 which is, greater than the critical value of 2.58 at 1% level of significance**.** This is shows that there is significant increase in the proportion of respondents who have owned the assets and investments before and after starting the business.

  With respect to the test value of the House (1.155), Machinery (0.847), Gold (0.0), Other Assets (1.841) shows that there is no significant value in terms of different form of assets before and after starting the business. This results in after starting the business there is less proportion of the above assets purchased .

Objective 3: To analyse the Operating Performance and Perception of Women Micro Entrepreneurs, Managers on the sustainability of NBFC-MFI

- **Sustainability based on operating Performance**
    - The Loan Portfolio has shown consistent growth, peaking at 29.55% in 2024.A slight slowdown in 2020 and 2021 (around 9%) may indicate cautious lending due to market uncertainties due to economic downturn, and COVID-19 impact.
    - During 2019, (40%) expansion in the microcredit portfolio, and lesser growth rate in 2020 and 2021 due to covid pandemic. The highest post-pandemic growth rate, signaling strong confidence in microfinance lending in 2022 and 2023 of 24.65 percent and 37.75 percent respectively.In 2024(23.5%) the growth rate remains strong but has moderated.
    - Client growth rate in 2019 25.3 shows a strong customer acquisition strategy. However, growth slowed down from 2020 onward, even showing a slight decline in 2021 (-2.80%) The slow but steady increase in 2022 (8.63%), 2023 (14.71%), and 2024 (10.26%) indicates a recovery phase
    - Loan disbursement growth rate 39.07% increase in 2019 suggests a push for higher disbursement. Declines in 2020 (-7.06%) and 2021 (-24.89%) indicate risk aversion, possibly due to economic instability. A sharp rise (43.98%) in 2022 and a massive 56.64% increase in 2023 show a return to aggressive lending. A slowdown to 5.92% in 2024 indicate market saturation or stricter credit policies
    - A steady increase from 98.24% in 2018-19to 108.94%% in 2023-24 suggests that microcredit is becoming the dominant lending category. The funding support through microcredit plays a significant increase in the ratio towards gross loan portfolio.
    - A steady increase from 98.24% in 2018-19to 108.94%% in 2023-24 suggests that microcredit is becoming the dominant lending category. The funding support through microcredit plays a significant increase in the ratio towards gross loan portfolio.
    - Increased client per branch in 2019 (2,582 clients per branch) suggests a high efficiency in outreach. A gradual decline afterward (2,113 clients per branch in 2024) suggests expansion in branch networks, leading to more localized customer service.
    - The Return on Asset ratio has been consistently above 77%, showing that a significant portion of the NBFC-MFIs fund is allocated to lending, peaked in 2023 (82.87%), indicating aggressive loan growth and in 2024 (82.72%), but still remains high. A higher ratio indicates efficient utilization of fund for generating activates

- Borrowing to asset ratio indicates the percentage of total assets funded through borrowings. Increased from 65.63% in 2019 to 73.50 % in 2024 shows higher debt reliance.

➢ **Sustainability of the NBFC-MFIs based Women Micro Entrepreneurs perspective**

- Factor score coefficients can be calculated for all variables ,using factor analysis, the 14 variables in the data were reduced to 5 factor in primary component analysis by using Varimax rotation model and each factor may identified with the corresponding variables like Factor 1-Financial Adequacy and Security, Factor 2- Customer support and Ethical practices, Factor 3- Effective Customer Service, Factor 4- Communication and Transparency, Factor 5- Technological Advancements, with cumulative variance 57.667 percent.

➢ **Sustainability of NBFC-MFIs based the Managers Perspective**

- 76.6 percent of the respondents is not preferring to particular nature of business and 23.3 percent of the respondents preferring to give loans to particular nature of business
- Regarding most preferable factor to select micro entrepreneurs to provide loan53.3 percent of them prefer on the basis of Group members and less number of NBFC-MFIs (6.7%) considering recommendation for providing loans.
- All NBFC-MFIs in the study offer loans as per the institution's policies and regulations for approving the total amount of loan and routinely update borrowers' business profiles.
- Majority of the NBFC- MFI (93.3%) agreed Govt policies helps to Micro credit lending activities and less number of NBFC-MFIs (6.7%) felt that Govt policies were not support to Micro credit lending activities
- With reference to the repayment ability of borrowers of the NBFC-MFIs, 90 percent of them states that high repayment ability found among the borrowers and less number of respondents (10%) of them states repayment ability the borrower is average.
- Top up loans are provided by NBFC-MFIs, regular repayment of interest of previous loans are considered by (53.3%) of the respondents (13.3%) of them consider Profit level of the existing business and Interest accumulation.
- Regarding competition by similar institution, majority of the respondents (63.3 percent) agree on facing competition and 36.7 percent of the NBFC-MFIs not agree that not facing competition.

- Factors influencing the competition of NBFC-MFIs is 42.1 percent of the NBFC-MFIs pointed immediate sanction of loan by other NBFC-MFIs and only 1percent NBFC-MFIs pointed out new and attractive schemes.
- 30.0% of the respondents have given rank 1 to 'closure of business' 36.7% of the respondents have also given the least rank 12 to Government policies and regulations.

Objective 4: Outreach of NBFC-MFIs based on Operating Efficency and Perspective of Women Micro Entrepreneurs

- **Operating Performance**
  - The number of branches in the NBFC-MFI sector have increased from 12277 in the year 2018-19 to 20348 in the year 2023-24. During this six-year period, the average number of branches are found to be 15325 in number, with a S.D of 3465
  - The number of clients in the NBFC-MFI sector has increased from 3.17 crore in the year 2018-19 to 4.30 crore in the year 2023-24. During this sevenyear period, the average number of clients are found to be 3.38, with a S.D of 0.53.
- **Factor influencing Perception on Outreach of NBFC-MFIs**

  Factor score coefficients can be calculated for all variables, using factor analysis, the 17 variables in the data were reduced to 6 factors in primary component analysis by using Varimax rotation model and each factor may identified with the corresponding variables like Factor 1-Administration, Factor 2- Customer Attention, Factor 3- Personal attention, Factor 4- Information referrals, Factor 5- Customer confidence, Factor 6- Accessibility with cumulative variance 54.91 percent.

Objective 5: To examine the effect of various factors which influences the Sustainability and Outreach of NBFC-MFIs

Awareness on terms of loans has direct positive effect on all other factors namely, usage of borrowed funds (0.32), business development, (0.47) social status (0.32) sustainability of NBFC-MFIs (0.23) and outreach of NBFC-MFIs (0.17). The effect of usage of borrowed funds is direct positive effect on (0.24) on business development. Business development has positive effect on sustainability of NBFC-MFIs with regression weight of 0.15 but social status has negative effect on sustainability of NBFC-MFIs with regression weight of -0.02. The model further shows that business development has positive effect on outreach of NBFC-MFIs with regression weight of 0.18. The effect of sustainability of NBFC-MFIs on outreach of NBFC-MFIs is positive with regression weight of 0.27.

10.Suggestions

- The Reserve Bank of India has to take measures to regulate microcredit interest rate for more accessibility benefits to the Micro entrepreneurs and to promote microcredit activities, the government should take the necessary actions to implement a number of microfinance initiative programs.
- To enable borrowers, get closer to the organization, NBFC-MFIs should place a high priority on digitization, technology utilization and should develop customer user friendly app to sustain in long run.
- Select the proper media for promoting the services and schemes to the women micro entrepreneurs to have more outreach. By focusing on all regions, the NBFC-MFIs should regularly offer awareness programs to borrowers regarding microfinance schemes, types of schemes, loan procedures, and other elements.
- In order to be qualify for subsequent microcredit loans, women micro entrepreneurs must make timely loan payments. Women micro entrepreneurs should aware about the borrowers rights related matters relating to microcredit funding assistance

11.Conclusion

The sustainability of NBFC-MFIs is essential for ensuring they can continue to provide vital financial services to underserved population. The role of NBFC-MFIs in promoting women micro entrepreneurs is a critical area of research, the sustainability and outreach of NBFC-MFIs depend on multiple factors. In addition to internal aspects such as operational and financial efficiency, external factors like borrowers' socio-economic development like business development financial status, social status and perception of micro entrepreneurs on sustainability and outreach of NBFC-MFIs play a crucial role in determining their sustainability and outreach of NBFC-MFIs. Achieving sustainability involves a balance between business development, financial health, social impact, and operational efficiency. By addressing challenges, leveraging successful models, and exploring future trends, NBFC-MFIs can maintain their role as key players in the microfinance sector. It ensures that these institutions fulfil their mission of providing financial services to those in need. Outreach in the context of NBFC-MFIs refers to the extent to which these institutions are able to provide microfinance services to target populations, especially those who are underserved or excluded from traditional financial systems. The sustainability and outreach of NBFC-MFIs in promoting women entrepreneurs is a crucial area of research, particularly in the context of inclusive economic development of the country. The success of NBFC-MFIs are directly tied to their ability to sustain their operations, expand their outreach, and effectively contribute for the socio-economic

development of the women entrepreneurs by way of providing adequate financial assistance for business startups.

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